



STATE OF DELAWARE

OFFICE OF AUDITOR OF ACCOUNTS

R. THOMAS WAGNER, JR., CGFM, CFE  
AUDITOR OF ACCOUNTS

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April 10, 2006

The Honorable Valerie A. Woodruff  
Secretary  
Department of Education  
Townsend Building, Suite 2  
401 Federal Street  
Dover, DE 19903-1402

Linda J. Jennings, Esq.  
Head of School  
MOT Charter School  
1156 Levels Road  
Middletown, DE 19709

Dear Secretary Woodruff and Mrs. Jennings:

SUBJECT: FINAL REPORT ON MOT CHARTER SCHOOL

We have completed an agreed-upon procedures attestation engagement of MOT Charter School. The engagement included student accounting and enrollment. The purpose of the engagement was to determine the School's compliance with specific laws and to report findings as a result of procedures performed.

I trust the information contained therein will be helpful and informative.

Sincerely,

OFFICE OF AUDITOR OF ACCOUNTS

R. Thomas Wagner, Jr., CGFM, CFE  
Auditor of Accounts

RTW:LLS:CLF  
Enclosure

**OFFICE OF AUDITOR OF ACCOUNTS  
MOT CHARTER SCHOOL  
AGREED-UPON PROCEDURES  
ATTESTATION ENGAGEMENT**

**September 30, 2005**



**R. THOMAS WAGNER, JR., CGFM, CFE  
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Independent Auditor's Report  
on Applying Agreed-Upon Procedures

The Honorable Valerie A. Woodruff  
Secretary  
Department of Education  
Townsend Building, Suite 2  
401 Federal Street  
Dover, DE 19903-1402

Linda J. Jennings, Esq.  
Head of School  
MOT Charter School  
1156 Levels Road  
Middletown, DE 19709

Dear Secretary Woodruff and Mrs. Jennings:

We have performed the procedures enumerated below, which were agreed to by the Department of Education (DOE) and MOT Charter School. The procedures were performed solely to assist the specified parties in evaluating the School's compliance and the effectiveness of the School's internal control over compliance with State laws and regulations in regard to Student Accounting and Enrollment. Procedures were performed for Student Accounting and Enrollment as of September 30, 2005. Management of the School is responsible for the School's compliance with those requirements.

This agreed-upon procedures attestation engagement was performed in accordance with *Government Auditing Standards* (2003), issued by the Comptroller General of the United States and the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures were as follows:

- Evaluated the adequacy of in-house policies and procedures for preparing, reviewing and reporting the September 30<sup>th</sup> student count.
- Determined if the Charter School reported the correct number of eligible students to the DOE and calculated the dollar impact of disallowed students, if applicable.
- Selected ten percent (or a minimum of five) "Individualized Education Program" (IEP) files at the School to verify that each file contained the required documentation in accordance with DOE's Administrative Manual for Special Education Services and calculated the dollar impact of disallowed students, if applicable.

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The Honorable Valerie A. Woodruff  
Linda J. Jennings, Esquire  
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April 10, 2006

- Selected 10 percent (or a minimum of five student files) enrolled in the Cooperative Education Program and Diversified Occupation Programs and confirm that the students' files contained required documentation in accordance with the DOE's Administrative Directives. Calculated the dollar impact of disallowed students, if applicable.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with specified laws. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of DOE and the School and should not be used by those who have not agreed to the procedures and have not taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited. This report, as required by statute, was provided to the Office of the Governor, Comptroller General, Attorney General, Office of Management and Budget and the Department of Finance.

Sincerely,

OFFICE OF AUDITOR OF ACCOUNTS

R. Thomas Wagner, Jr., CGFM, CFE  
Auditor of Accounts

RTW:LLS:CLF

Engagement fieldwork completed  
February 15, 2006

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## SCHEDULE OF FINDINGS

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### ***Procedure Agreed Upon #1***

Evaluated the adequacy of in-house policies and procedures for preparing, reviewing and reporting the September 30<sup>th</sup> student count.

### ***Finding***

The School does not have written internal policies and procedures governing the preparation, review and reporting of the September 30<sup>th</sup> student count.

The State of Delaware Budget and Accounting Policy Manual states, "Department or agency heads are responsible for establishing and maintaining an effective system of internal control." In addition, the manual states, "Internal control provides management with reasonable assurance that its policies and procedures are implemented and consistently followed to ensure efficient and effective organizational operation." Further, the manual states, "A well designed system of controls must include written policies and procedures to ensure that each control objective is met."

Written policies and procedures help ensure the completeness, accuracy, and timelines of the student enrollment count. Lack of written policies and procedures may result in an inaccurate student count at September 30<sup>th</sup>.

### ***Recommendation***

The School should further develop and implement in-house written policies and procedures governing the preparation, review, and reporting of the September 30<sup>th</sup> student enrollment figures to DOE. These policies and procedures should incorporate information such as:

- Attendance taking methodology
- Verification of attendance by teachers and upper level administrator
- Gathering and maintaining documentation that supports attendance and reported enrollment figures (medical excuses, transfer/entry/withdrawal forms, homebound, placement in an alternative education setting, engineering, etc.)
- Reference to pertinent rules and regulations stipulated by DOE and/or Delaware Code
- Record retention policy

### ***Auditee Response***

The State Auditor's Office confirms that MOT Charter School has the appropriate procedures and policies in place, and requests only that they be reduced to written format. MOT Charter School will document its auditor-approved policies and procedures in accordance with the recommendation before the next September 30<sup>th</sup> unit count.

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## DISTRIBUTION OF REPORT

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Copies of the School's Agreed-upon Procedures Attestation Engagement have been distributed to the following public officials:

Executive Branch

The Honorable Ruth Ann Minner, Governor, State of Delaware  
The Honorable Jennifer Davis, Budget Director, Office of Management and Budget

Legislative Branch

The Honorable Russell T. Larson, Controller General, Office of Controller General

Other Elective Offices

The Honorable Carl C. Danberg, Attorney General, Office of the Attorney General

Other

Ms. Jean W. Allen, President, State Board of Education  
Ms. Dorcell S. Spence, Associate Secretary of Education, Finance and Administrative Services Branch, Department of Education  
Mr. Jerry Gallagher, Director, Financial Management, Department of Education  
Mr. Walter Konek, Accountant V, Department of Finance  
Mr. Lou Savino, Chairperson, Board of Education, MOT Charter School

This report is also available at no charge on the Office of Auditor of Accounts website at [www.state.de.us/auditor/index.htm](http://www.state.de.us/auditor/index.htm) or by requesting a copy in writing to:

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